



Contents lists available at ScienceDirect

International Business Review

journal homepage: www.elsevier.com/locate/ibusrev

The legitimacy defeat of Huawei in the media: Cause, context, and process

Anlan Zhang^{*}, Yue Xu, Matthew J. Robson

Cardiff Business School, Cardiff University, UK

ARTICLE INFO

Keywords:

Liabilities of origin
Geopolitics
Media framing
Organizational legitimacy
Emerging market multinational enterprises
Huawei

ABSTRACT

Emerging market multinational enterprises (EMNEs) seem to face almost continuous negative media coverage in many Western countries. Our study scrutinizes this phenomenon to examine why and how EMNEs are confronting increasing negative media coverage. We empirically examine how the British newspaper media reported on the governmental banning of Huawei from fifth-generation network development in the UK. Our findings suggest that liabilities of origin (LOR) trigger negative media coverage of EMNEs, and that the geopolitical context and media framing make LOR more salient and harmful for EMNEs in developed countries. We propose a contextualized explanation for EMNEs' legitimacy defeats in the media by identifying the cause (i.e., LOR), context (i.e., geopolitical rivalry), and process (i.e., media framing) in such a de-legitimization mechanism. Indeed, we crystalize the matter of how the media frames LOR and de-legitimizes EMNEs. We also examine EMNEs' voice strategies for mitigating negative media coverage and defending legitimacy.

1. Introduction

In modern global business settings, it is crucially important that multinational enterprises (MNEs) understand the nuances and complexities of legitimacy (Deephouse, 1996). Although liabilities of foreignness (LOF) are borne by all MNEs when entering foreign countries (Zaheer, 1995; Kostova et al., 2008), liabilities of origin (LOR) have been recognized as a key disadvantage affecting emerging market multinational enterprises' (EMNEs) legitimacy in developed countries (Ramachandran & Pant, 2010). Relatedly, geopolitical relationships have been considered increasingly as a factor exacerbating the level of opposition MNEs face in foreign countries (Shi et al., 2016). Such a phenomenon has occurred more often for EMNEs operating in developed countries, where we see huge institutional distances between the home and host countries (Kostova & Zaheer, 1999; Salomon & Wu, 2012). Due to rising geopolitical rivalry and tension around the world (e.g., the US–China Tech Cold War), more cases of EMNEs' (e.g., Chinese MNEs) legitimacy threats in developed countries are triggered by political allegations rather than corporate wrongdoing and misbehavior. Scholars have emphasized that such legitimacy challenges faced by EMNEs in the host country can be influenced by their home country conditions (Marano et al., 2017).

Considering the increasing geopolitical rivalry globally, it is necessary to capture not only LOF but also LOR in the examination of EMNEs' legitimacy challenges. However, what factors constitute LOR and how

LOR are constructed in host countries have been seldom examined (versus LOF) in international business (IB) research (Fiaschi et al., 2017; Marano et al., 2017). As legitimacy is a state endorsed by social actors, it is vital to identify two key social actors: government regulators and public opinion (Deephouse, 1996). In terms of government regulators, scholars have claimed that the MNEs' political risk is legitimacy-based (Stevens et al., 2016). As for public opinion, the media is an important social-control agent affecting attitudes of the public toward MNEs (Clemente & Gabbioneta, 2017). Stevens et al. (2016, p. 948) asserts that it is crucial for studies to investigate the “role of legitimacy-granting actors other than the government” that can determine corporate legitimacy. As such, this study scrutinizes the role of the media, as a less examined social actor, in affecting EMNEs' legitimacy in host countries.

Research in mass communication and political science has a long tradition of studying the role of the media in influencing the public's perceptions and attitudes toward social and political life (Fiss & Hirsch, 2005; Matthes, 2009). Further, there is increasing interest among business and management scholars in the role of the media in framing organizational scandals (e.g., Garcia, 2011; Clemente & Gabbioneta, 2017), suggesting the media not only performs as an intermediary for disseminating information to the public, but also has the power to influence their perceptions of organizations by applying different media frames. From a social construction perspective, an organization or its behavior becomes illegitimate only if it is perceived as such (Entman, 2012). Thus, the media is indeed a vital stakeholder in constructing the

^{*} Correspondence to: Cardiff Business School, Cardiff University, Aberconway Building, Colum Drive, Cardiff CF10 3EU, UK.

E-mail addresses: ZhangA10@cardiff.ac.uk (A. Zhang), xuy63@cardiff.ac.uk (Y. Xu), RobsonM@cardiff.ac.uk (M.J. Robson).

<https://doi.org/10.1016/j.ibusrev.2022.102080>

Received 23 September 2021; Received in revised form 24 October 2022; Accepted 19 November 2022

0969-5931/© 2022 The Author(s). Published by Elsevier Ltd. This is an open access article under the CC BY license (<http://creativecommons.org/licenses/by/4.0/>).

legitimacy of EMNEs, in the form of media framing such as defining problems, analyzing causes and impacts, as well as informing policy-making (Entman, 2012). Media texts have been used to study the discursive legitimacy of MNEs (Vaara et al., 2006). From a discursive perspective, senses of legitimacy are generated in relation to specific discourses, in which “people can make sense of particular issues and give sense to them” (Vaara & Tienari, 2008, p. 987). Thus, media framing can be a key element in investigating the (de)construction of EMNEs’ legitimacy in host countries.

For two decades, the tectonic plates of global trade and investment have been shifting toward EMNEs. Fang and Chimenon (2017) predicted that EMNEs, such as Chinese MNEs, would need to face up to continuous negative media coverage in Western countries for the foreseeable future—which has been witnessed in recent years, in step with the escalating US–China geopolitical rivalry. Our study scrutinizes this phenomenon to examine how and why EMNEs are confronting increasing negative media coverage. Meanwhile, we observe that media framing of corporate scandals cannot explain how EMNEs are de-legitimized in the current geopolitical turmoil. It is important to investigate how the media frames EMNEs’ legitimacy in the context of the geopolitical rivalry between host and home countries. Therefore, this study aims to answer two research questions: 1) *Why do EMNEs face increasing negative media coverage in developed countries?* and 2) *How are EMNEs de-legitimized by the media in developed countries and making voice in the media to defend themselves?*

By combining IB and mass communication research, this study undertakes an inductive single-case study, with a high degree of contextualization, to answer the research questions. Different from a traditional case study for inductive theory-building (Eisenhardt & Graebner, 2007; Yin, 2018), the emphasis on contextualization aims to reconcile theory and context, providing context-sensitive explanation on complex social phenomenon (Welch et al., 2011, 2022). We selected the single case of Huawei suffering a legitimacy defeat in the UK. From November 2019 to August 2020, Huawei experienced a policy U-turn by the UK government and was ultimately banned from the UK’s fifth generation (5G) network infrastructure development, which was intensively reported by the media. We examined how five British newspapers framed the Huawei issue during this period.

Our study advances knowledge in three ways. First, it contributes to theory on LOR faced by EMNEs (Ramachandran & Pant, 2010; Kolk & Curran, 2017), by taking a key but under-investigated stakeholder—the media—into account. We illustrate the relationship among EMNE’s LOR, media framing, and the geopolitical rivalry context, which explains why and how EMNEs face legitimacy defeats in the media. Second, the study contributes to research on the media coverage of MNEs (Vaara et al., 2006; Fang & Chimenon, 2017), by looking at the process of media framing and the de-legitimization of EMNEs in developed countries. We identify five elements that constitute the media framing of EMNEs’ LOR in developed countries, which differs from previous media framing on corporate scandals (Clemente & Gabbioneta, 2017). Third, we contribute to methodological pluralism in IB by emphasizing the role of contextualization in theory building via case study research. Our study is novel in showing that context is endogenous rather than exogenous to theory (Welch et al., 2011, 2022).

2. Theoretical background

2.1. LOR and EMNEs’ legitimacy

MNEs doing business abroad suffer additional costs compared with conducting business domestically, which can be termed LOF (Zaheer, 1995; Kostova & Zaheer, 1999). Although LOF are thought to be borne by all MNEs in host countries, it has been noted that EMNEs bear additional LOR when investing in developed countries (Pant & Ramachandran, 2012). LOR are defined as “disadvantages faced by MNEs in international markets as a consequence of their national origins”

(Ramachandran & Pant, 2010, p.233). Different from LOF that highlight costs for firms in the host country because of “where they are not from”, LOR emphasize costs linked to “where they are from” (Ramachandran & Pant, 2010, p.248).

Extant studies have investigated the reasons why LOR became more important for EMNEs than for their counterparts from developed countries (e.g., Moeller et al., 2013; Marano et al., 2017; Fang & Chimenon, 2017). For instance, EMNEs may lack access to financial markets and talent. Another source of LOR faced by EMNEs is related to the image of its home country (Yu & Liu, 2018). Focusing on the specific nationality of a company, LOR might be raised by factors such as adverse country image and negative country product image (Johansson et al., 1994). In examining the relationship between a firm’s country of origin and its acceptance in a host country, Moeller et al. (2013) found that when local constituents hold a negative predisposition toward the foreign country, they can extend such perceptions to firms from those countries, causing social resistance to the firms. Further, Yu and Liu (2018), in investigating a Chinese firm in New Zealand, found that the firm suffered from a negative country stereotype image and associated resistance in the local society. Another source of EMNEs’ LOR comes from home-country government intervention in their internationalization decision-making (Luo et al., 2010). Although EMNEs have benefited from massive government support in the process of internationalization (Huang et al., 2017), such support can be considered as a type of liability regarding unfair competition and non-market motivations. The accusation is that the internationalization of EMNEs is driven by political objectives rather than standard commercial ones (Deng, 2009).

Given the legitimacy-based disadvantages borne by EMNEs, Ramachandran and Pant (2010) proposed two theoretical pathways—namely, institutional entrepreneurship and organizational identity—to overcome LOR and save legitimacy. First, to pursue institutional entrepreneurship, EMNEs need to mobilize resources in the host institutional environment, develop powerful rationales for the changes proposed, and negotiate with salient institutional actors for policy changes (Hardy & Maguire, 2008). Second, EMNEs can undertake a gradual process of identity change to build an attractive image in the host country, which might be directed toward narratives including sense-breaking (challenging the taken-for-granted identity or image) and sense-giving (presenting an alternate, reasonable identity narrative) (Gioia & Chittipeddi, 1991). In addition to these pathways scholars have suggested MNEs could use various nonmarket strategies, such as strategic corporate social responsibility and corporate political activities, to deal with complex global business–government relationships (Sun et al., 2021). In particular, researchers call for MNEs to form foreign policy or use IB diplomacy to respond to the rising geopolitical tensions (Chipman, 2016; Doh et al., 2022). What unites the disparate approaches to overcoming LOR is that they all stress the importance of effective corporate communications with external stakeholders (e.g., governments and the media).

2.2. Media framing and discursive legitimacy

Legitimacy is key to an organization’s survival and success, and broadly concerns the acceptance of the organization by its environment (Dowling & Pfeffer, 1975). Suchman (1995, p. 574) defines legitimacy as “a generalized perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs, and definitions”. Importantly, Kostova and Zaheer (1999) argued that MNEs provide a suitable opportunity to study the complexity of legitimacy as they operate in more than two countries where the main bases of legitimacy show different characteristics. Deephouse (1996) argued that it is vital to frame two key social actors: one is government regulators and the other is public opinion. Against this backdrop, media coverage and media evaluation are considered as salient and vital sources of societal legitimacy perceptions (Aerts & Cormier, 2009). Using a legitimacy-based view, Stevens et al.

(2016) suggested that the media is a social actor that can provide to, or withhold from, a firm the “social license to operate”, depending on whether they perceive it as a legitimate and acceptable entity in the host country. Media texts have been used to study the discursive legitimacy of MNEs (Vaara et al., 2006). From a discursive perspective, senses of legitimacy are generated in relation to specific discourses, in which “people can make sense of particular issues and give sense to them” (Vaara & Tienari, 2008, p. 987), and legitimization means to create senses of positive, beneficial, ethical, understandable, and/or acceptable action in a specific setting (Van Leeuwen & Wodak, 1999).

Research in mass communication and political science has a long tradition of studying the role of the media in shaping the public's perception of issues (Fiss & Hirsch, 2005; Matthes, 2009). A premise of political communication is that politicians try to use the media to mobilize support for policies through invoking ‘frames in communication’, which means encouraging the public to think about policies in particular ways (Chong & Druckman, 2007). Despite this role as an information intermediary (Bushee et al., 2010), the media can perform as an active, rather than neutral, participant to influence public opinions by framing contested issues (Zavyalova et al., 2017). Entman (1993, p. 52) defines media framing as “to select some aspect of a perceived reality and make them more salient in a communicating text, in such a way as to promote a particular problem definition, causal interpretation, moral evaluation, and/or treatment recommendation”. Media framing can be identified in news texts through key words, stereotyped images, judgments, and sources of information (Entman, 1993).

Scholars have applied media framing in organizational research into corporate scandals such as audit fraud and operational malfeasance (e.g., Cohen et al., 2015; Clemente & Gabbioneta, 2017). For example, Garcia (2011) investigated the conflict between BP and Greenpeace by examining debates in US newspaper articles. The findings showed a media tendency to portray BP as a villain and Greenpeace as a hero in their conflict. Clemente and Gabbioneta (2017) examined how four different German newspapers reported the Volkswagen diesel scandal, and identified four frames applied by the newspapers: legalistic, contextual, reputational, and scapegoating. These studies developed a media framing for organizational wrongdoing, which can be considered as socially constructed—the result of interactions between firms and social-control agents (Greve et al., 2010). However, Fiaschi et al. (2017) suggested that EMNEs may suffer from social irresponsibility claims from the media and other reporting agencies, despite doing no-harm in the internationalization process. The media framing literature's focus on corporate wrongdoing has created a lacuna in knowledge on how the media can frame corporate contestation in other contexts.

2.3. Geopolitical rivalry, soft power, and mass communication

EMNEs have become increasingly involved in between-nations competition and geopolitical rivalry in the contemporary era. One typical case is Washington's sanctions on Chinese hi-tech firms, which has made the firms a focal point for geopolitical tensions. Geopolitics is a field of study that concerns the practice of states controlling and competing for territory and power (Flint, 2006). In the post-Cold War world since the 1990s, global politics has become multipolar and multivilizational. Huntington (1993, 1998) put forth that the clash of civilizations might become the major conflict in the post-Cold War world. Civilization is “a culture writ large”, which involves values, norms, institutions, and modes of thinking (Huntington, 1998, p.41), and there are several major civilizations, such as Western, Sinic, Islamic, etc. Huntington's influential international relations theory, “Clash of Civilizations”, suggests that between-nations competition after the Cold War is unlikely to see a dominant, universal civilization in a multipolar world. IB scholars have been devoting attention to rising geopolitical impacts on MNE operations. Shi et al. (2016) finds that a MNE may face a strong level of opposition in a foreign country that has different religious beliefs and political systems from its home country. Kolk and

Curran (2017) conclude that MNEs' LOR are reflected in ideological conflicts in a foreign market, such as free trade versus protectionism. Indeed, the unfolding geopolitical tension globally presents a unique and contextually rich opportunity to extend knowledge of LOR and understand EMNEs' legitimacy challenges.

Geopolitical competition after the Cold War has shifted from the use of hard power to soft power, which refers to a nation's ability to influence and control other nations' behavior through attraction and persuasion rather than coercive measures such as military force or economic sanctions (Nye, 1990). Soft power can stem from a country's cultural values and ideological resources (Abodohou & Su, 2020). Although China has become the world's second largest economy, it is still considered to be weak in its soft power in Western eyes (Nye, 2008). For instance, in 2018, China was ranked 130th out of 167 countries on the Democracy Index, by the Economist Intelligence Unit, and came 80th out of 180 countries on the Corruption Perception Index, according to Transparency International (Abodohou & Su, 2020). Nye (2008) argues that countries with stronger soft power are those whose ideology is closer to Western universal values including liberalism, pluralism, and autonomy.

Warren (2014, p.117) claims that, due to its intangible and immaterial character, soft power “can only be exercised through mechanisms of communication”. Indeed, Dower's (1986) book *War Without Mercy* presents how mass communication was utilized as a weapon during the Pacific War, as a part of World War II. Western countries and Japan were using different types of mass communication tools such as films, cartoons, and selected news reporting to conduct wartime propaganda for both domestic and foreign people. The current Tech Cold War between the US and China shares some common characters with the ‘hot’ war in Dower's book; that is, media propaganda. In wartime, the media takes on the responsibility of promoting political propaganda. One objective of such propaganda is to make people “know your enemy” by dehumanizing the opponent country, and another is to justify that the war is a ‘good’ war from its own perspective and ‘evil’ from the enemy's perspective (Dower, 1986). Since the media was never really absent in wartime historically, the role of the media cannot be neglected when investigating the unfolding Tech Cold War. Further, Warren (2014) argues that mass communication can be used as tool to enhance a country's soft power by strengthening the country's ability to broadly disseminate political messages. Since centralized political media propaganda that is a mainstay of hot wars is not as relevant in the case of a modern cold war, we use the more subtle concept of media framing to explore the impact of geopolitical tensions on EMNEs.

3. Method and data

3.1. Inductive theory-building case study with a high degree of contextualization

We conduct an inductive case study with a high degree of contextualization (Eisenhardt & Graebner, 2007; Welch et al., 2011, 2022) to investigate why EMNEs face increasing negative media coverage and how EMNEs are de-legitimized by the media. Methods of case study are not only about methods of data collection and analysis, but also about methods of theorizing. Traditional inductive theory-building via (comparative) case studies emphasizes identifying regularities and generating testable propositions (Eisenhardt, 1989), which has been criticized for being weak on both causal explanation and contextualization (Welch et al., 2011). As an alternative, Welch et al. (2011) put forth a typology of contextualized explanation to reconcile theory and context. We concur with the view that contextualization is “an integral part of the case study”; context is not exogenous but rather is endogenous to theory (Welch et al., 2022, p.20). Facing rising geopolitical rivalry (e.g., the US–China Tech Cold War), EMNEs' (e.g., from China) legitimacy defeats in developed countries require a better explanation using context-specific conceptualization and theorization.

Given the theoretical backgrounds of EMNEs' legitimacy complexities and negative media coverage, and the research focus on the geopolitical context, particularly the US–China Tech Cold War, we decided to choose a Chinese MNE in the hi-tech sector for investigation. We focus on events in 2020, specifically, when the US government aimed to lobby its allies to ban certain Chinese MNEs for 'national security' reasons. The typical firms involved in such geopolitical turmoil include Huawei, Tencent, and TikTok (The New York Times, 2020). We selected Huawei because the firm had received vast media attention. Inspection of relevant media reports also proved the worthiness of investigating Huawei. For example, Huawei was described as "the first Chinese tech company to become globally dominant" (The Guardian, 2020), which suggests that Huawei, as China's leading 'national champion', meets the criteria of a revelatory single case (Yin, 2018). Huawei now has business in more than 170 countries. Also, the media emphasized that "[A]t stake is not just the fate of one of China's most prominent and successful companies, but the broader technological competition between Beijing and Washington" (Financial Times, 2021), which proves that Huawei perfectly fits our purpose of theorizing through contextualization (Welch et al., 2011). Finally, we chose Huawei's legitimacy defeat in the UK rather than the US. The UK context evinced more geopolitical complexity, that is, the UK government's policy U-turn on Huawei and multilateral relations among the UK, the US, and China.

In 2015, Huawei became the world's largest telecommunications equipment company, followed by Finland's Nokia Corporation and Sweden's Ericsson. In particular, Huawei is leading the development of the 5G network and, according to media sources, is something like two years ahead of its competitors. Huawei first entered the UK market in 2001, and participated deeply in the UK's 4G development by cooperating with local telecom carriers such as Vodafone and BT. However, Huawei ran into legitimacy challenges over its involvement in the UK's 5G network. The legitimacy dispute of Huawei has been straightforwardly resolved, insofar as the UK government banned Huawei from its 5G network's development in July 2020. However, the process of this ban was far from straightforward, as the UK government made a policy U-turn. In January 2020, the UK government allowed Huawei to participate in the non-core part of the 5G network with a 35% market share cap. However, in July 2020, the UK government decided to fully ban Huawei from participating in its 5G network. During this period, the British media discussed widely the matter of whether to ban Huawei, which provides an ideal opportunity to investigate the (de)construction of Huawei's legitimacy.

3.2. Data collection

To analyze how the legitimacy of Huawei was defeated in the UK, we collected news articles about Huawei that were published by five different British newspaper media from November 2019 to August in 2020. The selected five British broadsheet newspapers are *The Financial Times* (FT), *The Guardian* (Guardian), *The Independent* (Independent), *The Telegraph* (Telegraph), and *The Times* (Times). Our selection of these five newspapers is linked, first, to their fame and popularity.¹ According to YouGov's (2021) ranking of UK newspapers: FT is 14th in fame and 4th in popularity, Guardian is 5th in fame and 3rd in popularity, Independent is 10th in fame and 7th in popularity, Telegraph is 8th in fame and 10th in popularity, and Times is 3rd in fame and 1st in popularity. Second, as the Huawei case is related to UK government policymaking, our selection aims to balance the political leaning of the newspapers. The selected broadsheet newspapers cover evenly the left–center–right political spectrum (i.e., Guardian–Independent–FT–Times–Telegraph) (Smith,

2017). As the five newspapers represent different political stances, their articles together offer a comprehensive analysis of Huawei's legitimacy problems. Non-daily and non-national newspapers were excluded.

There are three reasons that we choose broadsheets rather than popular tabloids (e.g., *The Sun* and *Daily Mail*). First, broadsheets are considered the 'quality press' compared with tabloids and publish serious news, focusing more on fact than emotion. The opposite is true for tabloids (Rogers, 2020). Second, broadsheet articles build arguments—conclusions as well as the facts and warrants behind them—that provide rich information ready for qualitative content analysis. Third, broadsheets target a more upscale audience than do tabloids. As such, broadsheets are more likely to influence policymakers. Thus, broadsheets are more appropriate than tabloids for examining the legitimacy defeat of Huawei in the UK, which was generated from a governmental sanction instead of a public boycott.

Using the Nexis UK database, our initial search looked for the word "Huawei" in the news headline of articles published during the review window. We included articles labeled as "news" and "editorial" in our dataset as they are produced under a standard procedure of the media organization. We filtered out articles labeled as "opinion", "voice", and "letters" as such articles are mostly written by external analysts and readers, and are based on subjective views rather than objective news facts and warrants. Next, the identified news articles were filtered by ruling out irrelevant news. For example, Huawei is not the main reporting subject, or news reports are introducing Huawei's new smartphones. As a result, 213 news articles were collected, with 49 from Guardian, 42 from Independent, 37 from FT, 40 from Times, and 45 from Telegraph (see Table 1). The media coverage in the selected newspapers indicates that Huawei's legitimacy dispute in the UK has been under continuous scrutiny from November 2019 to August 2020. What is more, there were two waves of particularly intensive media reporting on Huawei during the period. Fig. 1 shows that media coverage peaked in January and July 2020 when the UK government announced its original and revised Huawei policies.

3.3. Data analysis

Given the nature of our 'why' and 'how' research questions, we use an inductive methodology to derive our frames. As the concept of media framing involves both selection and salience, we started by identifying "components or devices of frames" (i.e., selection), whose relative salience gives origin to the media framing (Matthes & Kohring, 2008, p.263). The coding process contained three stages. In the first stage, we used the Gioia template to inductively identify frames in the media texts (Corley & Gioia, 2004; Gioia et al., 2013). Unlike traditional media framing analysis starting with a predetermined number of frame elements such as problem definition, causal attribution, moral evaluation, and treatment (Entman, 1993; Matthes & Kohring, 2008), the Gioia template makes the frame elements emerge from the texts. In this way, researchers can explore elements of media framing specific to the research context.

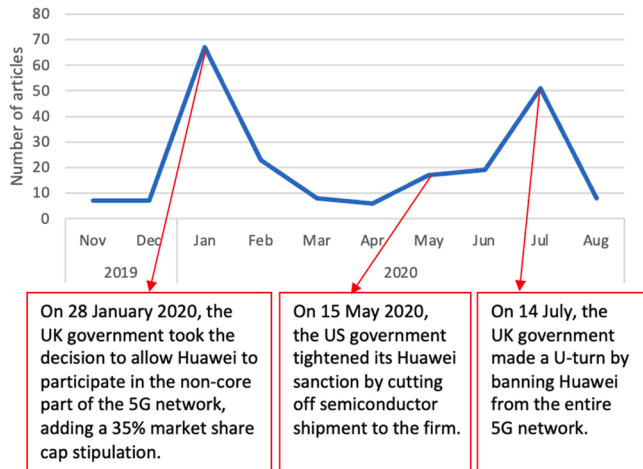
We started by reading all the news articles to become familiar with and develop a general understanding of the content and tone. Then, we manually coded the media texts. Specifically, we used open coding to uncover common themes and produce an initial set of categories (Glaser & Strauss, 1967). At this stage, the coding process aims to identify common key themes that serve to undermine Huawei's legitimacy in the UK. We then generated our first-order categories by combining common and similar codes. Once we developed the first-order coding of the first newspaper, we moved onto the second one. The coding of the second newspaper is a way of testing, refining, and extending the coding of the first newspaper, as well as developing new categories (Glaser & Strauss, 1967). The new categories were then reapplied to the first newspaper, which is considered as an iterative process (Clemente & Gabbioneta, 2017). We repeated this approach in all five newspapers. Next, we compared first-order categories across newspapers and combined

¹ Fame is the % of people who have heard of a newspaper, and popularity is the % of people who have a positive opinion of a newspaper. These are used in YouGov Ratings: <https://yougov.co.uk/about/ratings-faq/>.

Table 1

Extent of media coverage of Huawei across selected newspapers (Source: Nexis UK).

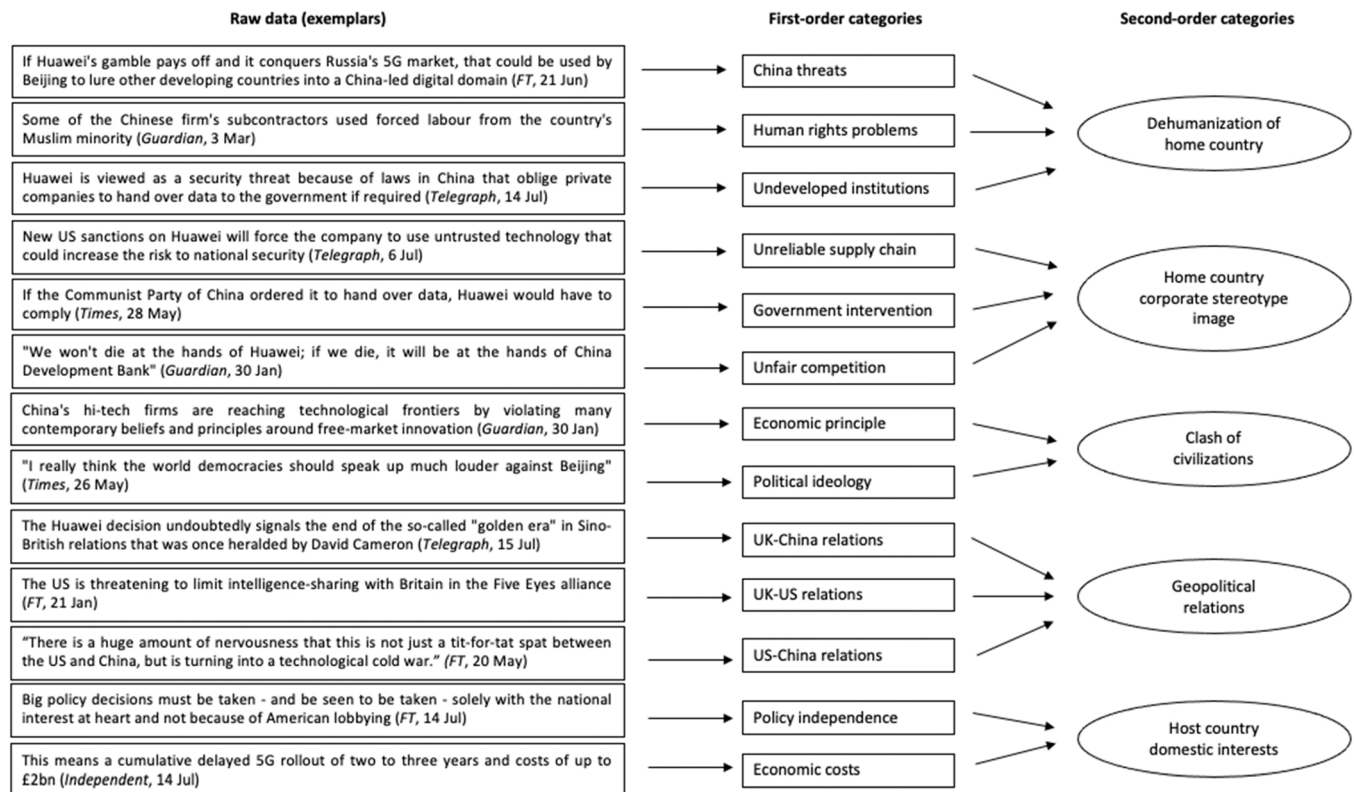
	2019 Nov	Dec	2020 Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Total
<i>Guardian</i>	1	2	19	8	2	0	2	3	12	0	49
<i>Independent</i>	1	0	12	8	2	1	2	4	11	1	42
<i>FT</i>	2	4	8	4	1	2	1	4	8	3	37
<i>Times</i>	2	0	15	2	1	2	4	4	8	2	40
<i>Telegraph</i>	1	1	13	1	2	1	8	4	12	2	45
Total	7	7	67	23	8	6	17	19	51	8	213

**Fig. 1.** Major events and media coverage of Huawei in the UK.

similar categories into groups as the second-order categories. In this process, we combined theoretical backgrounds to guide our coding, and made sure the second-order coding is consistent with our research focus

within IB. Thus, the second-order categories provided a theoretical framework for how the media framed the disputes of Huawei in the UK.

In the second stage of our coding process, we conducted a separate thematic analysis to capture complexities of the geopolitical context in the media reporting. Here, we examined how frequently the five British newspapers reported Huawei with regards to its legitimacy in different geographic contexts. The examination allows us to investigate the cross-border illegitimacy spillover effect on the firm. This analysis followed our finding in the first stage that there was a high proportion of media articles not merely reporting Huawei from the UK perspective but also from a wider geographic context. We categorize the geographic focus of the news reports into three contexts—the UK, the Five Eyes (FVEY) Anglosphere intelligence countries, and other countries. In the third stage, we extracted the voices of Huawei and the Chinese government from the media texts to see whether and to what extent the firm and its home country responded in the media to defend the firm's legitimacy. We thus generate insights into corporate-level strategies of responding, or not, to negative media coverage.

**Fig. 2.** Data structure.

4. Results and findings

4.1. Key elements in the media framing of Huawei's LOR

We identified five elements vital to explaining: 1) why LOR constitute a trigger factor for Huawei's legitimacy defeat in the media, and 2) how LOR-related issues are framed by the UK media. Fig. 2 depicts the resulting data structure, presenting the first-order categories and their relationships with second-order categories. We discuss each of them below.

4.1.1. Dehumanization of home country

The first element that we identified that undermined Huawei's legitimacy was through dehumanizing Huawei's home country (i.e., China). The dehumanization is rooted in a long-term stereotyped image of China in the eyes of Western countries, as well as the unfolding allegations on various fronts raised by the Western countries about China. As a Chinese MNE, Huawei was linked with the alleged problems of the Chinese government and China's ruling communist party, and it shared and suffered the negative image of its home country.

China threats. In most news articles, Huawei was portrayed as a national champion and a symbol of China catching-up in the technological industries to compete on an even footing with Western rivals. The dominance of Huawei in future 5G development has raised concerns and worries among industrial and political communities in the UK.

Human rights problems. The Chinese communist party has been criticized by the Western media for its strict societal surveillance and interventions, for example, in Hongkong and Xinjiang. Huawei, as the major telecom company in China, is considered to support such surveillance in a digital era.

Undeveloped institutions. The negative image of China is also related to its control of firms in all their daily routines and strategic decisions through strict institutions. Such undeveloped institutions in the eyes of Western media were introduced in the news articles to justify why Huawei cannot defend itself as an independent private firm without special ties with the Chinese government.

4.1.2. Home country corporate stereotype image

The second element we identified refers to the home country corporate stereotype image that weakens Huawei's legitimacy in the UK. Such a long-term negative corporate image is not specific to Huawei but rather is associated with most Chinese MNEs in general.

Unreliable supply chain. All newspapers mentioned that the unreliability of "Made in China" Huawei products could cause cyber security and quality issues, especially after the US government banned Huawei from purchasing chips from US suppliers in May 2020. That means if Huawei uses components from non-FVEY supply chains, neither the quality nor the security of the products can be guaranteed, undermining its 5G network development work.

Government intervention. Another criticism of Huawei relates to high levels of government intervention among Chinese MNEs. The arguments in media reports implied that Huawei is not merely a business entity, but also is a political entity with certain political purposes in its strategies and operations. For example, Huawei faced the allegation of providing 'back doors' to the Chinese government for spying activities.

Unfair competition. In addition, there are also economic and industrial concerns from Huawei's competitors criticizing the company for using state funds to beat rivals and dominate foreign markets, which is considered as unfair competition.

4.1.3. Clash of civilizations

The third element relates to conflict between different civilizations, which is China versus the West in the Huawei case. The clash of civilizations is reflected in a combination of conflicts between the countries in terms of their economic systems, political ideologies, cultural traditions, etc. The articles compared and highlighted such differences and, hence,

implied the 'unavoidable' conflict between China and the West, to delegitimize Huawei in the UK.

Economic principle. In some circumstances, the clash of civilizations was reflected in the type of economic principle. The free-market principle is a dominant economic principle in the UK and Western countries. Many news articles highlighted the important role of state subsidies in helping Huawei to achieve cheaper product prices with which to compete with its global counterparts, which violates the free-market principle. Huawei's competitors in the UK have frequently given voice to such accusations.

Political ideology. The media tended to highlight differences in the political ideologies of the UK and China, suggesting that holding a tough stance on Huawei is a symbol of standing up against autocracy and saving or reinforcing democracy in the free world. Such content in the news articles was frequently linked to quotations from UK and US politicians.

4.1.4. Geopolitical relations

The fourth element used to delegitimize Huawei is the geopolitical relationship between the host and home countries. The debate over Huawei's engagement in the UK's 5G development was frequently framed into the wider bilateral or multilateral diplomatic battleground, with the UK, the US, and China as major players.

4.1.4.1. UK-China relations. Many news articles implied that the UK government's tougher stance on Huawei related to the deteriorating UK-China bilateral relationship, especially given sensitive issues such as the coronavirus outbreak and pro-democracy protests in Hongkong. Therefore, banning Huawei was treated as a way for the UK to respond when the bilateral relationship was deteriorating.

UK-US relations. Despite the focal relationship being between the host and home countries, the media intensively discussed how the UK government should consider relationships with the US and other allies when making its Huawei policies. In particular, the FVEY intelligence alliance (i.e., the US, UK, Australia, Canada and New Zealand) led by the US, was always explained as a source of pressure pushing the UK government to ban Huawei.

US-China relations. The US-China relationship was also an important consideration in the media articles discussing the UK's policy decision on Huawei. Typically, it was opined that the UK is unlikely to be able to choose a neutral position between the two superpowers in the new Tech Cold War.

4.1.5. Host country domestic interests

The fifth element we identified is the calculation of the UK's self-interest. The media were often calculating the economic and political costs the UK would have to pay if it banned Huawei from its 5G development. Experts and analysts were usually given voices in such debates, and there was an apparent opinion among the news articles that the political calculation should trump the economic calculation, which delegitimized Huawei as a result.

Policy independence. Apart from framing Huawei in a geopolitical context, the media also informed the UK government to make an independent decision on Huawei based squarely on its own, domestic interests and how to best serve these moving forwards.

Economic costs. Debates in the media were concerned about whether the UK government should favor short-term economic interests by giving Huawei a green light or protect the country's long-term national security by banning Huawei.

4.2. Media framing and cross-border illegitimacy spillover effect

During the coding process, we observed that many news articles published in British newspapers on Huawei focused on wider geographic contexts—especially the US context—in addition to the domestic

context. For many years, the US has been lobbying its allies (e.g., FVEY members) to ban Huawei's participation in their 5G development projects. As a particularly close ally of the US, the UK government's take on Huawei was highly influenced by attitudes and actions from the US perspective. Therefore, we undertook a thematic analysis by looking at the news headlines as well as the leading paragraphs to group articles into three themes (see Appendix 1). First, articles grouping into the 'UK context' have keywords such as "UK" or "Boris Johnson" and report the UK government's position, decision, and action on Huawei. Second, articles grouping into the 'FVEY context' have FVEY countries-related keywords and report on relationships between the UK and its FVEY allies in forming the Huawei decision and potential consequences. Third, there is a small set of articles reporting on Huawei in 'other contexts', such as continental Europe and Asia.

The results of the thematic analysis show that the geographic focus varies over time (see Fig. 3). Nearly half of the news articles in the five newspapers focused on the FVEY context when reporting the Huawei dispute in the UK. In January/February 2019, when the UK government partially banned Huawei in its 5G network development with a 35% market share cap, news reporting focusing on the FVEY context surpassed the UK context. The media tended to question the government's decision by quoting the US government's harsh stance on banning Huawei. For example, *Telegraph* quoted a US politician saying that giving a green light for Huawei "is like allowing the KGB to build its telephone network during the Cold War" (*Telegraph*, 29 Jan). The logic of partially banning Huawei and ramifications for the UK-US relationship were discussed widely in the media. For example, *FT* noted that "Given that Britain leaves the EU on Friday and is looking to strike a swift post-Brexit trade deal with the US, the decision raises tensions in the 'special relationship' at a highly sensitive time." (*FT*, 29 Jan).

Then, from March to June 2020—the window period before the UK government's final decision on Huawei in July 2020—there was an increasing proportion of news articles focusing on the FVEY context, particularly after the US government announced cutting off its domestic supply chain from Huawei in May 2020. For example, *Times* stated that the US has turned the technology sector into the frontline of the economic war by "hitting China's technology champion with a range of sanctions" (*Times*, 28 May). This newspaper points out that the UK government's swinging policy denotes "a lack of strategy on China" (*Times*, 20 Jul), which "would endanger the Anglo-American 'special relationship'" (*Times*, 1 Jun).

Finally, when the UK government announced the full ban on Huawei in July 2020, the proportion of news articles focusing on the FVEY context dramatically declined. The explanation might be that as the UK kept pace with the US on Huawei, the media no longer needed to delegitimize Huawei by leveraging the stance of the US. Instead, the media devoted space to discussing the aftermath of the UK government's U-turn policymaking. For instance, the media pointed out that Britain's

"golden era" with Beijing is long gone (*Telegraph*, 15 Jul), and took to more frequently justifying the UK's tougher stance on China by accusing Beijing of a crackdown on Hongkong and other human rights abuse issues.

Based on the thematic analysis of the news coverage, we can observe a significant illegitimacy spillover effect in media reporting on Huawei. The media was leveraging the hard stance of the US government on Huawei as the warrant to challenge the UK government's soft ban on Huawei. Despite the media's motivation of informing policymaking, we suspect that the UK government might have influence on the media framing as well. For instance, it can be observed that hawkish, anti-China politicians have greater voice in calling for a Huawei ban in the five newspapers, around January 2020 when the UK did not follow the US lead to fully ban Huawei, and in the run up to June 2020 when the UK government's reconsideration of its Huawei policy was in the balance.

4.3. Voices of Huawei and the Chinese government in the media framing

In the coding process, we also observed the voices of Huawei and the Chinese government. Although these voices are not the focus of the media framing, it is important nevertheless to examine how the corporation and its home government's responses are presented in the framing, regarding our research question of how EMNEs can use voice strategy to defend legitimacy. Table 2 summarizes the interaction between the identified elements of media frames and responses from Huawei and the Chinese government in the research period.

We start by examining the content of Huawei's voice in the five selected newspapers, including corporate spokespersons and managers from both the headquarters and subsidiary levels. The findings show that the voice of Huawei can only be linked to certain elements of the identified media framing, with the remaining elements being less or even not responded to in the media articles. Specifically, first, there is a high frequency of Huawei response about the economic costs that the UK government and society will have to shoulder if banning Huawei from its 5G network. Huawei aimed to maintain its legitimacy by highlighting its previous 20 years of successful operation in the UK market, and its cutting-edge technology in 5G development. Second, Huawei defended its legitimacy by responding to concerns over an unreliable supply chain after the US announced new sanctions in May 2020. Third, Huawei tried to call for the UK government to make an independent decision without being manipulated by the US lobby. More overtly political elements, including dehumanization of the home country, the clash of civilizations, and geopolitical relationships, were rarely responded to by the company in the media.

Next, we examine the voice of the Chinese government present in the media texts, channeled through the spokesperson of China's Foreign Ministry and China's Ambassador to the UK. Again, the findings show that the response of the Chinese government covers only a few elements in the media framing. First, most of the voice from the Chinese government focused on the UK-China relationship, warning about political consequences of the UK's tough stance on Huawei. Along with these responses, the media often implied a hawkish and hostile image of the Chinese government—that it would retaliate if the UK blocked Huawei. Second, Chinese diplomats also emphasize the economic costs the UK will suffer when prohibiting Huawei. They pick up on UK-China relations by criticizing the unfair British business environment that could negatively influence future investments from Chinese companies. However, as with Huawei's voice, the overtly political elements have been rarely responded to by the Chinese government via the media.

It is interesting to consider why the voices of Huawei and the Chinese government are absent from so much of the media framing of the firm's LOR. The partial response could reflect different views on the nature and salience of soft power between China and the West. That is, China sees economic impact as the dominant factor while the West emphasizes cultural and ideological factors. As a result, voices of Huawei and the Chinese government emphasizing economic influences and

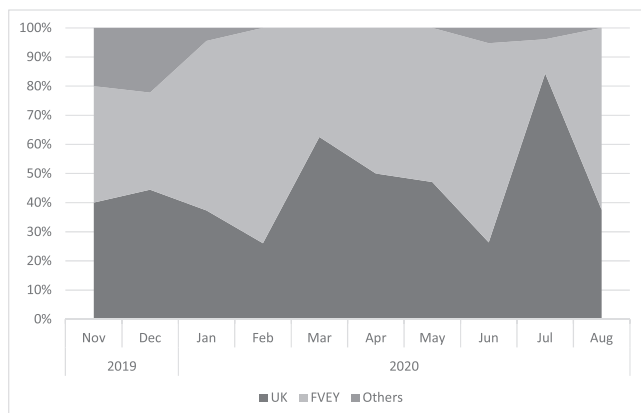


Fig. 3. The geographic focus of media coverage on Huawei.

Table 2

The voice of Huawei and Chinese government in the media articles.

Elements of media framing		Voice of Huawei		Voice of Chinese government	
First-order categories	Second-order categories	Frequency	Examples	Frequency	Examples
China threats	Dehumanization of home country	Low	"... and the country of origin [China] has also been mentioned," he said. "That's a fact of life, there's nothing we can do about that" (<i>Times</i> , 29 Jan)	None	
Human rights problems		None		None	
Undeveloped institutions		None		None	
Unreliable supply chain	Home country corporate stereotype image	Middle	"We are working closely with our customers to find ways of managing the proposed US restrictions so the UK can maintain its current lead in 5 G" (<i>Telegraph</i> , 6 Jul)	None	
Government intervention		Low	However, Ed Brewster, head of communications for Huawei UK, told Times Radio that his company did not serve the interests of any government (<i>Times</i> , 15 Jul)	Low	"Huawei is a privately-owned company, nothing to do with the Chinese government and the only problem they have is they are a Chinese company" (<i>Times</i> , 10 Feb)
Unfair competition		None		None	
Economic principle	Clash of civilizations	None		None	
Political ideology		None		None	
UK-China relations	Geopolitical relations	Low	"further restrict Huawei 5 G equipment, or to remove existing 4 G equipment will not only incur very significant costs, but prejudice trade relationships with China" (<i>Telegraph</i> , 23 May)	High	Mr Liu had warned earlier this month that there would be "consequences" if Britain started to treat China as a hostile country rather than an ally (<i>FT</i> , 14 Jul)
UK-US relations		Low	"Regrettably our future in the UK has become politicized, this is about US trade policy and not security" (<i>Independent</i> , 14 Jul)	Low	"It's wrong for the United Kingdom to discriminate against a Chinese company because of pressure from the United States" (<i>Times</i> , 20 Jul)
US-China relations		Low	In his most strident comments yet on the trade war between the two superpowers, Eric Xu said that Washington would open a "Pandora's box" if it intensified its campaign against Huawei (<i>Times</i> , 1 Apr)	None	
Policy independence	Host country domestic interests	Middle	"We want to tell the people, the UK needs to have the best possible technology for their gigabit broadband. I'm still very confident the UK government will opt for a solution based on the facts and evidence" (<i>FT</i> , 7 Jun)	None	
Economic costs		High	"We are investing billions to make the prime minister's vision of a 'connected kingdom' a reality, so that British families and businesses have access to fast, reliable mobile and broadband networks wherever they live" (<i>Guardian</i> , 30 Jun)	Middle	"The China business community are all watching how you handle Huawei. If you get rid of Huawei it sends out a very bad message to other Chinese businesses" (<i>Independent</i> , 13 Jul)

consequences, cannot defend the firm's legitimacy as the media framing of LOR focuses more on cultural and ideological conflicts. Another consideration is that given the proactive and occasionally overzealous role of the media in de-legitimizing Huawei, there might be manipulation of the media framing to silence voices from Huawei and the Chinese government. By dehumanizing Huawei and its home country, the media aimed to create a superior image of the West and an inferior image of China, which is consistent with the mindset of winning the clash of civilizations. Further, alternative explanations for Huawei's insufficient voice could be that, first, Huawei's UK subsidiary might have difficulty in accessing local media in the first place and in a timely manner as it needs to follow the headquarters' mandate. Second, Huawei could consciously follow the rhetoric of the Chinese government to form its voice. In this way, the company stays in a safe position of 'political correctness', avoiding infuriating the Chinese government and generating a backlash at home.

5. Discussion

5.1. EMNEs' LOR under the context of geopolitical rivalry

EMNEs are believed to face additional LOR on top of general LOF in host countries (Ramachandran & Pant, 2010; Marano et al., 2017). IB scholars point out that EMNEs may suffer from LOR due to the host-country government's policies and misgivings about firms from a particular country (Cuervo-Cazurra et al., 2007). By investigating Huawei's legitimacy defeat in the British newspapers, we find that LOR can become a significant disadvantage for EMNEs in the host country, especially given the geopolitical context. Our findings answer the question of why EMNEs are facing increasing negative media coverage and concomitant legitimacy defeats in developed countries, by identifying LOR as the mechanism's trigger.

Fang and Chimenson (2017) advanced two explanations for why Chinese MNEs face increasing negative media coverage in Western countries: China's negative image in the West and suspicion of the Chinese government. These causes are closely related to LOR and have both been identified in the Huawei case (i.e., the categories of *dehumanization of home country*, *home country stereotype image*, and *clash of civilizations*). Indeed, our analysis suggests that the negative image of the home country is not simply about the focal firm but results from a long-term stereotype perception of firms from the specific home country in the eyes of the host country. Our study lends support to Moeller et al.'s (2013) arguments that a firm's country of origin has an impact on how it is subjected to social judgment in a host country, and that such impact is attributable to local stakeholders' positive and/or negative predispositions toward the firm's country of origin. Kolk and Curran (2017) assert that an ideology contest—such as free trade versus protectionist tendencies by government—can play a key role in influencing public policy on Chinese MNEs. The Huawei case clearly shows the presence of this ideological conflict. The Western free-market principle versus China's state capitalism principle became a common comparison in the media narratives. It is also argued (Shi et al., 2016) that a company may face a strong level of opposition in a foreign country which has different religious beliefs and political mechanisms to those of its home country. Democratic versus autocratic government, another apparent indicator of the clash of civilizations shown in the Huawei case, demonstrates the impact of political ideology in (de)constructing Huawei's legitimacy.

Further, our study helps to explain under what conditions LOR become a disadvantage for EMNEs. It is the context of geopolitical rivalry (i.e., the categories of *geopolitical relations* and *host country domestic interests*) that makes LOR a salient disadvantage for Chinese MNEs.

Rivalries between superpowers are often linked with the 'Thucydides Trap', which implies a 'destined war' between a rising power and the ruling one (Allison, 2017). Based on the destined war notion, the media can succeed in letting people 'know their enemy'; media propaganda has been considered as a vital tool in wartime history (Dower, 1986). The US-China rivalry provides chances for the British media to narrativize Huawei in the story of the Tech Cold War, and then portray Huawei as a political entity from an enemy country. MNEs, as business entities, will not be labeled as a democratic or authoritarian company, in general. Yet, in the geopolitical context, the firm's home-country government is used by the media as a tool to de-legitimize the firm, which means the firm is also treated as a political entity.

Moreover, the geopolitical context involves a significant cross-border illegitimacy spillover effect to the extent that a firm losing legitimacy in one country may well find its legitimacy similarly depleted in other countries (Stevens & Newenham-Kahindi, 2017). The media plays the role of circulating particular information across borders. In the Huawei case, the media leveraged extensively Huawei's lack of legitimacy in the US to de-legitimize the firm in the UK. In sum, we suggest that geopolitical rivalry can serve an important context for the media to frame EMNEs' LOR.

5.2. Media framing of corporate LOR

We further crystalize the construct of media framing of corporate LOR under the geopolitical context, to answer the question of how EMNEs are de-legitimized by the media. We compare our results with elements of the media framing of corporate scandals (Clemente & Gabbioneta, 2017), general media framing of scandals (Entman, 2012), and discursive legitimization strategies (Vaara et al., 2006). Table 3 shows the comparison between these existing theories and our findings.

Both our corporate LOR frame and Clemente and Gabbioneta's (2017) corporate scandal frame echo the ones in Entman's (2012) general scandal frame: *problem definition*, *causal relationship*, *moral judgment*, and *endorsement of a remedy*. Nonetheless, our media framing of corporate LOR differs from the media framing of corporate scandals in the four aligned elements. First, for the problem definition, the home country replaces the focal organization to become the focus for the media to (de)construct corporate legitimacy. Previous corporate scandal framing is based on an organization's wrongdoing while our media framing of LOR is based on an organization's negative stereotype image linked to the home country. Second, in terms of the causal relationship, the locus of responsibility is given to individuals such as the company's top executives in the scandal framing. However, in the corporate LOR frame, responsibility is given—due to negative stereotyping—to companies from the focal company's home country. Third, regarding the moral judgment, the LOR frame highlights the clash of civilizations between host and home countries, while the scandal framing judges the firm based on its organizational behavior. Fourth, for the endorsement of a remedy, the scandal framing emphasizes how the firm can repair its reputation, while the LOR frame explains how the host-country government can intervene to resolve the firm's legitimacy dispute. Finally, our media framing of corporate LOR contains the new element, *geopolitical relations*, which sets the context for the media framing of corporate LOR.

In addition, we compare our findings with the discursive legitimization strategies studied by scholars from a social linguistic perspective. Our analysis indicates that media framing serves such a function, to "make sense of particular issues and give sense to them" (Vaara & Tienari, 2008, p.987). Specifically, by dehumanizing Huawei's home country, the media was often using a normalization strategy to enhance the

Table 3
Comparison of theories on media framing and discursive legitimization.

First-order categories	Elements of a corporate LOR frame (Second-order categories)	Elements of a corporate scandal frame (Clemente & Gabbioneta, 2017)	Elements of a scandal frame (Entman, 2012)	Discursive legitimization strategies (Vaara et al., 2006)
China threats	Dehumanization of home country	The nature of the scandal	Problem definition	Normalization
Human rights problems		Home country-based: long-term stereotype image	Organization-based: corporate wrongdoing	
Undeveloped institutions	Home country corporate stereotype image	Organization-based: long-term stereotype image	Organization-based: executives' responsibility	Rationalization
Unreliable supply chain				
Government intervention				
Unfair competition				
Economic principle	Clash of civilizations	Social-control agents' judgment	Moral judgment	Moralization
Political ideology				
UK-China relations	Geopolitical relations	Host and Home country-based: illegitimacy spillover	Organization-based: blame firm's wrongdoing	Narrativization
UK-US relations				
US-China relations				
Policy independence	Host country domestic interests	Host country-based: how government interferes	Organization-based: how firm repairs scandal	Authorization
Economic costs				

negative image of China for the audience. Rationalization is used by the media to explain why Huawei is an untrusted company for the UK and its allies. Clash of civilization is linked with moralization—that the media aims to make a moral judgment by distinguishing between the political and economic beliefs of the firm's home and host countries. The main narrativization in the media texts is around the geopolitical relations and framing the Huawei issue in the story of the Tech Cold War. Finally, authorization is often used by the media to inform host-government policymaking by quoting from news sources such as politicians and experts. Thus, we can verify that the elements we identified in the media framing of corporate LOR, have certain functions of de-legitimization from a discursive perspective (Vaara et al., 2006).

5.3. Methodological pluralism in theorizing from case study

Our study theorizes from a single-case study, with a high degree of contextualization. Traditional theory building from case research pays relatively less attention to contextualization, as theory is believed to be context-free to prove its generalizability (Eisenhardt & Graebner, 2007; Yin, 2018). Inductive theory-building case studies are exploratory in nature and seek to generate testable propositions. Despite these benefits, the approach can struggle to explain complex social phenomena embedded in certain IB contexts (Welch et al., 2011). Further, the strength of the case study is believed to be in answering 'why' and 'how' research questions (Yin, 2018); which are explanatory in nature. Although Welch et al. (2011) urged the use of contextualization to reconcile the exploratory and explanatory sides of case study work, limited case research in the past decade has included contextualization in theorization (Welch et al., 2022). By emphasizing contextualization, we respond to the call for greater methodological and theoretical pluralism in case research in IB.

Our findings on LOR and media framing are context-specific explanations for EMNEs' legitimacy challenges and negative media coverage in radically changing IB settings. The contextualization enables us to generalize our findings in two main ways. First, the US–China Tech Cold War seems likely to pull more Chinese MNEs into the febrile domain of between-nations competition. For example, China's top chipmaker SMIC and drone manufacturer SZ DJI Technology were added to a trade blacklist in December 2020 by the Trump administration, given their potential proximity to "Beijing's efforts to harness civilian technologies for military purposes" (Reuters, 2020). The Biden administration continued the policy by imposing trade restrictions on 34 Chinese entities for "human rights violations and the alleged development of 'brain-control weaponry'" (CNBC, 2021). Such allegations are consistent with the media framing of LOR we identified in the Huawei case. For sure, Huawei is not the first, or last, Chinese MNE to face legitimacy challenges as the geopolitical rivalry unfolds. Our findings on LOR and media framing open a new window for investigating Chinese MNEs' legitimacy as the US–China rivalry unfolds.

Second, the geopolitical context we highlight in this study refers to between-nations competition involving economic, political, military, and ideological rivalries. EMNEs, not only from China, could face negative media coverage due to LOR-related issues when there is geopolitical rivalry linked to one or more of these facets. For instance, in the 1980s, Japan and its MNEs suffered from continuous economic coercion from the US when their rising economic power challenged US hegemony, even though Japan had ceded military control to the US. The current Russia–Ukraine war has exposed Russian MNEs to sanctions from Western countries, linked to Russia being a military rather than economic superpower in the geopolitical landscape. Indeed, China, as both an economic and military superpower catching up the US, means that Chinese MNEs suffer from heavier LOR and negative media coverage.

EMNEs from India (capitalism system) and Vietnam (communist system) seem to face less severe legitimacy concerns than Chinese EMNEs. On this basis, we could argue that, irrespective of the political

systems of their home countries, EMNEs will not face negative media coverage in Western countries until their home country's national power (soft and hard) is visibly catching up or surpassing that of Western nations. It is national power that can result in the re-shuffling and restructuring of the geopolitical order. In sum, our case study serves as a starting point for examining more broadly EMNEs' legitimacy in geopolitical rivalries.

5.4. Managerial implications

Our study shows that the media played a crucial role in (de)constructing the legitimacy of Huawei in the UK. As well as framing corporate contestations in news articles, the media offers a platform for companies to influence external stakeholders (Murray & Nyberg, 2021). Thus, it is important for EMNEs to understand the media framing and skillfully use the media as a toolkit to overcome LOR and defend their legitimacy in host countries. EMNEs can establish voice strategies, at both global and local levels, to counter negative media coverage and legitimacy concerns generated by integration of the LOR (i.e., cause), geopolitical rivalry (i.e., context), and media framing (i.e., process).

First, EMNEs can form a global voice strategy to build a positive reputation and image world-wide, as the geopolitical context can make firms' illegitimacy quickly transmit between different countries. The Huawei case indicates that the media heavily leveraged Huawei's lack of legitimacy in the US to de-legitimize the firm in the UK. Thus, EMNEs can pair media communication with corporate foreign policy and IB diplomacy, emphasizing firms' capability in navigating geopolitical complexities (Chipman, 2016; Doh et al., 2022). Second, a local voice strategy can be formed and executed by EMNEs' subsidiaries in specific host countries, coping with legitimacy concerns raised by local stakeholders. Although we focused on newspapers—formal media—in this study, EMNEs indeed need access to different media channels to communicate with local stakeholders, as negative media coverage can easily go viral through social media and generate negative public sentiments in the host country (Yiu et al., 2021). Still, keeping silent in the media and maintaining a low-profile, sometimes can be a useful voice strategy depending on the specific legitimacy challenges faced.

In the Huawei case, only limited concerns in the media were addressed directly by the firm—its voice response was patchy at best. An implication is that voice strategy may be more difficult to use in responding to certain types of media de-legitimation. To this point, neither Huawei, nor its home-country government, responded to media framing of the 'clash of civilizations'. Improving corporate soft power can be an alternative way to mitigate negative media coverage, in the first place, before the negative media coverage expands. As EMNEs' LOR might be attributed to the home country's lower soft power, compared with the developed host country, it becomes more important for EMNEs to establish a long-term attractive image to the stakeholders in the host country. As Warren (2014, p.115) suggested, soft power is "exercised, not only through the deployment of force ('sticks') and wealth ('carrots'), but also through the deployment of symbols". Importantly, shaping an attractive image and making the public perceive it, requires EMNEs to use a media narrative in a consistent manner. Also, improving corporate soft power in the host country requires EMNEs to collaborate with the home-country government to achieve the best mutual outcomes.

6. Conclusion

The current study sought to investigate the case, context, and process of Huawei's legitimacy defeat in the British media. To answer the first

research question of *Why do EMNEs face increasing negative media coverage in developed countries*, we find that LOR becomes the cause or trigger factor for the negative media coverage of EMNEs and concomitant deconstruction of firms' legitimacy in developed countries, especially in the geopolitical context. This point links to the theoretical contribution on EMNEs' LOR and legitimacy complexities (Ramachandran & Pant, 2010), taking a key but seldom investigated stakeholder—the media—into account. To answer the second research question of *How are EMNEs de-legitimized by the media in developed countries and making voice in the media to defend themselves*, first, we propose a contextualized explanation for EMNEs' legitimacy defeats in the media by identifying the cause (i.e., LOR), context (i.e., geopolitical rivalry), and process (i.e., media framing) in such de-legitimization mechanism. Second, we crystalize the construct of media framing of EMNE's LOR, which differs from media framing of a corporate scandal. Third, we suggest that EMNEs need to form global and local voice strategies to deal with media-related legitimacy challenges in developed countries. Our study brings mass communication strategy into IB theory, advancing the research agenda by cross-fertilizing these two disciplines. Finally, this study echoes the call for methodological pluralism in theorizing from case study research (Welch et al., 2011, 2022), proving that context is endogenous rather than exogenous to theory.

Yet, this study has several limitations that set the boundaries to the external validity of our findings and, at the same time, open possibilities for future research. First, we theorize from a single-case study, aiming to develop a context-sensitive theory. Still, we encourage researchers to apply our framework to other cases in similar contexts, as well as in different contexts, thereby embracing a context-sensitive mindset to investigate EMNEs' legitimacy complexities. Second, we included an analysis that examined how Huawei was de-legitimized in British newspapers, it would be enlightening for future research to further scrutinize whether the media framing against (specific) EMNEs is orchestrated widely in the Western world.

Third, as Huawei's legitimacy defeat is related to governmental sanctions, we study the pivotal role played by newspapers in framing the debate over these. Still, our approach that favored established over new media is both a limitation and research opportunity. Other EMNEs suffer legitimacy crises due to grassroots boycotts from social media, wherein younger people and groups of users might be more actively participating. Thus, future IB research should use social media to inform on the consumer legitimacy sphere and public sentiment (Yiu et al., 2021). In addition, how the audience perceive the media framing, which is another mainstream research area in mass communication, can be studied by employing relevant mass communication research methods (cf. Boyle & Kelly, 2012). Lastly, future studies can focus on exploring EMNEs' voice strategies and broader nonmarket strategies.

Funding

This research did not receive any specific grant from funding agencies in the public, commercial, or not-for-profit sectors.

Data availability

Data will be made available on request.

Appendix 1. Three contexts of Huawei's media coverage in five British newspapers

Overview of media reporting focusing on three contexts

	2019		2020								Total
	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	
UK	2	4	25	6	5	3	8	5	43	3	104
FVEY	2	3	39	17	3	3	9	13	6	5	100
Others	1	2	3	0	0	0	0	1	2	0	9

Media reporting on Huawei focusing on the UK context

	2019		2020								Total
	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	
Guardian	0	0	7	2	1	0	0	0	10	0	20
Independent	1	0	6	0	1	1	1	2	10	0	22
FT	0	1	3	2	1	0	0	1	6	0	14
Times	0	2	3	2	1	1	2	1	8	2	22
Telegraph	1	1	6	0	1	1	5	1	9	1	26
Total	2	4	25	6	5	3	8	5	43	3	104

Media reporting on Huawei focusing on the FVEY context

	2019		2020								Total
	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	
Guardian	1	1	11	6	1	0	2	3	1	0	26
Independent	0	0	6	8	1	0	1	2	1	1	20
FT	1	2	3	2	0	2	1	2	1	3	17
Times	0	0	12	0	0	1	2	3	0	0	18
Telegraph	0	0	7	1	1	0	3	3	3	1	19
Total	2	3	39	17	3	3	9	13	6	5	100

Media reporting on Huawei focusing on other contexts

	2019		2020								Total
	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	
Guardian	0	1	1	0	0	0	0	0	1	0	3
Independent	0	0	0	0	0	0	0	0	0	0	0
FT	1	1	2	0	0	0	0	1	1	0	6
Times	0	0	0	0	0	0	0	0	0	0	0
Telegraph	0	0	0	0	0	0	0	0	0	0	0
Total	1	2	3	0	0	0	0	1	2	0	9

References

- Abodohou, A., & Su, Z. (2020). Influence of Chinese managerial soft power on African skills development. *International Business Review*, 29, Article 101730.
- Aerts, W., & Cormier, D. (2009). Media legitimacy and corporate environmental communication. *Accounting, Organizations and Society*, 34(1), 1–27.
- Allison, G. (2017). *Destined for war: Can America and China escape 'Thucydides' trap?* New York, NY: Houghton Mifflin Harcourt.
- Boyle, R., & Kelly, L. W. (2012). *The television entrepreneurs: Social change and public understanding of business*. Farnham: Ashgate.
- Bushee, B. J., Core, J. E., Guay, W., & Hamm, S. J. W. (2010). The role of the business press as an information intermediary. *Journal of Accounting Research*, 48, 1–9.
- Chipman, J. (2016). Why your company needs a foreign policy: Multinationals must address growing geopolitical volatility. *Harvard Business Review*, 94(9), 36–43.
- Chong, D., & Druckman, J. N. (2007). Framing theory. *Annual Review of Political Science*, 10, 103–126.
- Clemente, M., & Gabbioneta, C. (2017). How does the media frame corporate scandals? The case of German newspapers and the Volkswagen diesel scandal. *Journal of Management Inquiry*, 26, 287–302.
- CNBC (2021). U.S. blacklists 34 Chinese entities, citing human rights abuses and 'brain-control weaponry'. (<https://www.cnbc.com/2021/12/16/us-blacklists-34-chinese-e-entities-over-human-rights-abuses-brain-control-weapons.html>). (Accessed 10 February 2022).
- Cohen, J., Ding, Y., Lesage, C., & Stolowy, H. (2015). Media bias and the persistence of the expectation gap: An analysis of press articles on corporate fraud. *Journal of Business Ethics*, 1–23.
- Corley, K. G., & Gioia, D. A. (2004). Identity ambiguity and change in the wake of a corporate spin-off. *Administrative Science Quarterly*, 49, 173–208.
- Cuervo-Cazurra, A., Maloney, M. M., & Manrakhan, S. (2007). Causes of the difficulties in internationalization. *Journal of International Business Studies*, 38(5), 709–725.
- Deephouse, D. (1996). Does isomorphism legitimate? *Academy of Management Journal*, 39(4), 1024–1039.
- Deng, P. (2009). Why do Chinese firms tend to acquire strategic assets in international expansion? *Journal of World Business*, 44(1), 74–84.
- Doh, J. P., Dahan, N. M., & Casario, M. (2022). MNEs and the practice of international business diplomacy. *International Business Review*, 31, Article 101926.
- Dower, J. (1986). *War without mercy: Race and power in the pacific war*. London: Faber and Faber.
- Dowling, J., & Pfeffer, J. (1975). Organizational legitimacy: Social values and organizational behavior. *Sociological Review*, 18(1), 122–136.
- Eisenhardt, K. (1989). Building theories from case study research. *Academy of Management Review*, 14(4), 532–550.
- Eisenhardt, K., & Graebner, M. (2007). Theory building from cases: Opportunities and challenges. *Academy of Management Journal*, 50(1), 25–32.
- Entman, R. M. (1993). Framing: Toward clarification of a fractured paradigm. *Journal of Communication*, 43, 51–58.
- Entman, R. M. (2012). *Scandal and silence*. Cambridge: Polity Press.
- Fang, T., & Chimenson, D. (2017). The internationalization of Chinese firms and negative media coverage: The case of Geely's acquisition of Volvo cars. *Thunderbird International Business Review*, 59(4), 483–502.
- Fiaschi, D., Giuliani, E., & Nieri, F. (2017). Overcoming the liability of origin by doing no-harm: Emerging country firms' social irresponsibility as they go global. *Journal of World Business*, 52, 546–563.
- Financial Times (2021). US-China business: The necessary reinvention of Huawei. (<https://www.ft.com/content/9e98a0db-8d0a-4f78-90d3-25bfebcf3ac9>). (Accessed 10 February 2022).
- Fiss, C., & Hirsch, M. (2005). The discourse of globalization: Framing and sensemaking of an emerging concept. *American Sociological Review*, 70, 29–52.
- Flint, C. (2006). *Introduction to geopolitics*. Abingdon, U.K: Routledge.
- Garcia, M. M. (2011). Perception is truth: How U.S. newspapers framed the "go green" conflict between BP and Greenpeace. *Public Relations Review*, 37, 57–59.

- Gioia, D. A., & Chittipeddi, K. (1991). Sensemaking and sensegiving in strategic change initiation. *Strategic Management Journal*, 12(6), 433–448.
- Gioia, D. A., Corley, K. G., & Hamilton, A. L. (2013). Seeking qualitative rigor in inductive research: Notes on the Gioia methodology. *Organizational Research Methods*, 16(1), 15–31.
- Glaser, B. G., & Strauss, A. L. (1967). *The discovery of grounded theory: Strategies for qualitative research*. Hawthorne, NY: Aldine De Gruyter.
- Greve, H. R., Palmer, D., & Pozner, J. E. (2010). Organizations gone wild: The causes, processes, and consequences of organizational misconduct. *The Academy of Management Annals*, 4, 53–107.
- Hardy, C., & Maguire, S. (2008). Institutional entrepreneurship. In R. Greenwood, C. Oliver, R. Suddaby, & K. Sahlin-Andersson (Eds.), *Sage handbook of organizational institutionalism*. Thousand Oaks, CA: Sage.
- Huang, Y., et al. (2017). Does state ownership facilitate outward FDI of Chinese SOEs? Institutional development, market competition, and the logic of interdependence between governments and SOEs. *International Business Review*, 176–188.
- Huntington, S. P. (1993). The clash of civilizations. *Foreign Affairs*, 72(3), 22–49.
- Huntington, S. P. (1998). *The clash of civilizations and the remaking of world order*. London: Touchstone.
- Johansson, J. K., Ronkainen, I. A., & Czinkota, M. R. (1994). Negative country-of-origin effects: The case of the new Russia. *Journal of International Business Studies*, 25(1), 157–176.
- Kolk, A., & Curran, L. (2017). Contesting a place in the sun: On ideologies in foreign markets and liabilities of origin. *Journal of Business Ethics*, 142, 697–717.
- Kostova, T., et al. (2008). Institutional theory in the study of multinational corporations: A critique and directions. *Academy of Management Review*, 33(4), 994–1006.
- Kostova, T., & Zaheer, S. (1999). Organizational legitimacy under conditions of complexity: The case of the multinational enterprises. *Academy of Management Review*, 24(1), 64–81.
- Luo, Y., Xue, Q., & Han, B. (2010). How emerging market governments promote outward FDI: Experience from China. *Journal of World Business*, 45(1), 68–79.
- Marano, V., Tashman, P., & Kostova, T. (2017). Escaping the iron cage: Liabilities of origin and CSR reporting of emerging market multinational enterprises. *Journal of International Business Studies*, 48, 386–408.
- Matthes, J. (2009). What's in a frame? A content analysis of media framing studies in the world's leading communication journals, 1990–2005. *Journalism and Mass Communication Quarterly*, 86, 349–367.
- Matthes, J., & Kohring, M. (2008). The content analysis of media frames: Toward improving reliability and validity. *Journal of Communication*, 58, 258–279.
- Moeller, M., Harvey, M., Griffith, D., & Richey, G. (2013). The impact of country-of-origin on the acceptance of foreign subsidiaries in host countries: An examination of the 'liability-of-foreignness'. *International Business Review*, 22(1), 89–99.
- Murray, J., & Nyberg, D. (2021). Industry vs. government: Leveraging media coverage in corporate political activity. *Organization Studies*, 42(10), 1629–1650.
- Nye, J. S. (1990). Soft power. *Foreign Policy*, 80, 153–171.
- Nye, J. S. (2008). Public diplomacy and soft power. *The Annals of the American Academy of Political and Social Science*, 616(1), 94–109.
- Pant, A., & Ramachandran, J. (2012). Legitimacy beyond borders: Indian software services firms in the United States, 1984 to 2004. *Global Strategy Journal*, 2(3), 224–243.
- Ramachandran, J., & Pant, A. (2010). The liabilities of origin: An emerging economy perspective on the cost of doing business abroad. In T. Devinney, T. Pedersen, & L. Tihanyi (Eds.), *The past, present, and future of international business and management* (pp. 231–265). Bingley: Emerald.
- Reuters (2020). U.S. blacklists dozens of Chinese firms including SMIC, DJI. December 18. (<https://www.reuters.com/article/us-usa-china-sanctions-idUSKBN28S0HL>). (Accessed 10 February 2022).
- Rogers, T. (2020). Differences between broadsheet and tabloid newspapers. ThoughtCo. January 28. (<https://www.thoughtco.com/broadsheet-and-tabloid-newspapers-2074248>). (Accessed 10 February 2022).
- Salomon, R., & Wu, Z. (2012). Institutional distance and local isomorphism strategy. *Journal of International Business Studies*, 43(4), 343–367.
- Shi, W., Hoskisson, R., & Zhang, Y. (2016). A geopolitical perspective into the opposition to globalizing state-owned enterprises in target states. *Global Strategy Journal*, 6(1), 13–30.
- Smith, M. (2017). How left or right-wing are the UK's newspaper. Available at: (<https://yougov.co.uk/topics/politics/articles-reports/2017/03/07/how-left-or-right-wing-are-uks-newspapers>). (Accessed 10 February 2022).
- Stevens, C., & Newenham-Kahindi, A. (2017). Legitimacy spillovers and political risk: The case of FDI in the East African community. *Global Strategy Journal*, 7(1), 10–35.
- Stevens, C., Xie, E., & Peng, M. (2016). Toward a legitimacy-based view of political risk: The case of Google and Yahoo in China. *Strategic Management Journal*, 37, 945–963.
- Suchman, M. (1995). Managing legitimacy: Strategic and institutional approaches. *Academy of Management Review*, 20(3), 571–610.
- Sun, P., Doh, J., Rajwani, T., & Siegel, D. (2021). Navigating cross-border institutional complexity: A review and assessment of multinational nonmarket strategy research. *Journal of International Business Studies*. <https://doi.org/10.1057/s41267-021-00438-X>
- The Guardian (2020). The tensions over Huawei are not about trade, but global supremacy. (<https://www.theguardian.com/commentisfree/2020/jul/16/huawei-trade-global-supremacy-us-uk-china-liberal-capitalism>). (Accessed February 10, 2022).
- The New York Times (2020). Trump's orders on Wechat and TikTok are uncertain. That may be the point. (<https://www.nytimes.com/2020/08/07/business/economy/trump-executive-order-tiktok-wechat.html>). (Accessed 10 February 2022).
- Vaara, E., & Tienari, J. (2008). A discursive perspective on legitimization strategies in MNCs. *Academy of Management Review*, 33, 985–993.
- Vaara, E., Tienari, J., & Laurila, J. (2006). Pulp and paper fictions: On the discursive legitimization of global industrial restructuring. *Organization Studies*, 27(6), 789–810.
- Van Leeuwen, T., & Wodak, R. (1999). Legitimizing immigration control: A discourse-historical perspective. *Discourse and Society*, 1(1), 83–118.
- Warren, T. (2014). Not by the sword alone: Soft power, mass media, and the production of state sovereignty. *International Organization*, 68, 111–141.
- Welch, C., Paavilainen-Mäntymäki, E., Piekkari, R., & Plakoyiannaki, E. (2022). Reconciling theory and context: How the case study can set a new agenda for international business research. *Journal of International Business Studies*, 43, 4–26.
- Welch, C., Piekkari, R., Plakoyiannaki, E., & Paavilainen-Mäntymäki, E. (2011). Theorising from case studies: Towards a pluralist future for international business research. *Journal of International Business Studies*, 42, 740–762.
- Yin, R.k. (2018). *Case study research* (6th ed.). London: Sage.
- Yiu, D., Wan, W., Chen, K., & Tian, X. (2021). Public sentiment is everything: Host-country public sentiment toward home country and acquisition ownership during institutional transition. *Journal of International Business Studies*. <https://doi.org/10.1057/s41267-020-00380-4>
- YouGov (2021). The most popular newspapers (Q4 2021). (<https://yougov.co.uk/rating/s/media/popularity/newspaper/all>). (Accessed 10 February 2022).
- Yu, Y., & Liu, Y. (2018). Country-of-origin and social resistance in host countries: The case of a Chinese firm. *Thunderbird International Business Review*, 60(3), 347–363.
- Zaheer, S. (1995). Overcoming the liability-of-foreignness. *Academy of Management Journal*, 38, 341–363.
- Zavyalova, A., Pfarrer, M. D., & Reger, R. K. (2017). Celebrity and infamy? The consequences of media narratives about organizational identity. *Academy of Management Review*, 42, 461–480.

Anlan Zhang is a Ph.D. Candidate in the Marketing and Strategy Section at Cardiff Business School. He holds an MBA (with Distinction) from Cardiff University. His research interests focus on international business, corporate media coverage, and public relations. Before starting his academic career, Anlan had rich working experiences in the finance and media industries.

Yue Xu is a Senior Lecturer in International Business and Management at Cardiff Business School. Her research focuses on emerging market multinational enterprises, looking at their strategies, capabilities, and impact in the process of global integration and competition.

Matthew J. Robson is a Professor of Marketing and International Management at Cardiff Business School. He is also Associate Editor of *Journal of International Marketing*. His research and teaching interests focus on, but are not limited to, the domains of international, strategic, relationship, and retail marketing.